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Profiting from migrants

Detention centers boost private-prison firms

By **Laura Wides-Munoz**

Associated Press

MIAMI—The U.S. is locking up more illegal immigrants than ever, generating lucrative profits for the nation's largest prison companies, and an Associated Press review shows the businesses have spent tens of millions of dollars lobbying lawmakers and contributing

to campaigns.

The cost to American taxpayers is on track to top \$2 billion for this year, and the companies are expecting their biggest cut of that yet in the next few years with government plans for new facilities to house the 400,000 immigrants detained annually.

The industry is still growing despite the dramatic drop in illegal immigra-

tion in recent years. In 2011, nearly half the beds in the nation's civil detention system were in private facilities with little federal oversight, up from just 10 percent a decade ago.

The financial boom, which has helped save some of these companies from the brink of bankruptcy, has occurred even though federal officials acknowledge privatization isn't necessarily cheaper.

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Migrants

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This seismic shift toward a privatized system happened quietly. While Congress' unsuccessful efforts to overhaul immigration laws drew headlines and sparked massive demonstrations, lawmakers' negotiations to boost detention dollars received far less attention.

The industry's giants — Corrections Corp. of America, GEO Group, and Management and Training Corp. — have spent at least \$45 million combined on campaign donations and lobbyists at the state and federal level in the past decade, the AP found.

CCA and GEO, who manage most of the nation's 250 private detention centers, insist they aren't trying to influence immigration policy to make more money, and their lobbying and campaign donations have been legal.

"As a matter of long-standing corporate policy, CCA does not lobby on issues that would determine the basis for an individual's detention or incarceration," CCA spokesman Steve Owen said in an e-mail to the AP. The company has a website dedicated to debunking such allegations.

GEO, which was part of the Wackenhut Corp. security firm until 2003, and Management and Training Corp. declined repeated interview requests.

Advocates for immigrants are skeptical of claims that the lobbying is not meant to influence policy.

"That's a lot of money to listen quietly," said Peter Cervantes-Gautschi, who has helped lead a campaign to encourage large banks and mutual funds to divest from the prison companies.

In an e-mail to *The Arizona Republic*, CCA's Owen criticized Cervantes-Gautschi's remarks as "speculative."

The total average nightly cost to taxpayers to detain an illegal immigrant, including health care and guards' salaries, is about \$166, ICE confirmed only after the AP calculated that figure and presented it to the agency.

That's up from \$80 in 2004. ICE said the \$80 didn't include all of the same costs but declined to provide details.

Outsourcing

Dora Schriro, who in 2009 reviewed the nation's detention system at the request of Homeland Security Secretary Janet

Napolitano, said nearly every aspect had been outsourced.

"ICE was always relying on others for responsibilities that are fundamentally those of the government," said Schriro, now the New York City Correction Commissioner. "If you don't have the competency to know what is a fair price to ask and negotiate the most favorable rates for the best service, then the likelihood that you are going to overspend is greater."

Private companies argue they can save Americans money by running the centers more cheaply.

Pablo Paez, a spokesman for the Florida-based GEO, said in an e-mail his company supports public-private partnerships which "have been demonstrated to achieve significant cost savings for the taxpayers." He declined to answer specific questions.

But ICE Executive Associate Director for Enforcement and Removal Operations Gary Mead said the government has never studied whether privatizing immigrant detention saves money.

"They are not our most expensive, they are not our cheapest" facilities, he said. "At some point, cost cannot be the only factor."

Corporate profits

A decade ago, more than 3,300 criminal immigrants were sent to private prisons under two 10-year contracts the Federal Bureau of Prisons signed with CCA worth \$760 million. Now, the agency is paying the private companies \$5.1 billion to hold more than 23,000 criminal immigrants through 13 contracts of varying lengths.

CCA was on the verge of bankruptcy in 2000 due to lawsuits, management problems and dwindling contracts. Last year, the company reaped \$162 million in net income. Federal contracts made up 43 percent of its total revenues, in part thanks to rising immigrant detention.

GEO, which cites the immigration agency as its largest client, saw its net income jump from \$16.9 million to \$78.6 million since 2000.

"Another factor driving growth ... for the private sector is in the area of immigration and illegal immigration specifically," Chief Financial Officer Brian Evans told investors in GEO's 2011 third-quarter earnings call.

CCA warned in its 2011 annual earnings report that federal policy changes in "illegal immigration could affect the number of persons arrested, convicted, and sentenced, thereby potentially reducing demand for correctional facilities to house them."

At just the federal level, these companies, their political action committees and their employees have spent more than \$32 million on lobbying and on campaign contributions since 2000 — with the national political parties getting the largest campaign contributions.

An AP review of Federal Election Commission data found the prison companies and their employees gave to key congressional leaders who control how much money goes to run the nation's detention centers and who influence how many contracts go to the private sector.

James Thurber, head of American University's Center for Congressional & Presidential Studies, said amid the heated national debate over immigration, the companies have been savvy not to donate heavily to those sponsoring legislation, which could spark backlash.

There are more discreet and more powerful ways to influence policy, Thurber said.

"Follow the money," he said. "If the money is being increased significantly for illegal immigration, then that is a shift in policy ... a significant shift."

Owen, the CCA spokesman, told *The Republic* that the numbers were misleading and that his company has supported a number of organizations such as the U.S. Chamber of Commerce, which was opposed to Arizona's SB 1070 immigration enforcement law.

Average of 2,800 people held daily in Ariz. by ICE

By Bob Ortega

The Republic | azcentral.com

Immigrations and Customs Enforcement holds a daily average of 2,824 immigration detainees at five facilities in Arizona, according to ICE spokeswoman Amber Cargile.

ICE directly runs only one of the five facilities: the Florence Detention Center, which has 717 beds for men and women. That center also houses ICE's primary intake operation, from which detainees are transferred to other facilities.

Under an agreement with Pinal County, ICE houses up to 625 males at the Pinal County Jail in Florence.

ICE also uses three facilities operated by the country's largest private-prison firm, Corrections Corp. of America: the Eloy Detention Center, with 1,500 beds; the Florence Correctional Center, with 1,824 beds (but most of which house federal inmates and inmates from Vermont); and the Central Arizona Detention Center, with 2,304 beds (most of which house other federal inmates), in Florence. Up to 600 of the beds at the Florence and Central Arizona centers are used by ICE under contract for immigration detainees.

The Eloy Detention Center has come under fire over eight alleged incidents of sexual abuse of immigrant detainees between 2007 and last year. That was the most of any immigrant-detention facility in the country, according to federal documents obtained by the ACLU under the Freedom of Information Act. Federal documents reported 185 incidents of sexual abuse at immigrant detention facilities during that time period. A CCA spokesman said the company has a "zero-tolerance" policy on sexual abuse.

In May, the Department of Justice announced long-delayed regulations meant to reduce sexual assaults in federal prisons; but the Department of Homeland Security was given a 12-month extension on complying with the 2003 Prison Rape Elimination Act, under which the regulations were issued.



The cost to U.S. taxpayers to detain illegal immigrants is on track to top \$2 billion for this year, generating lucrative profits for the nation's largest prison companies. CHARLES REED/DEPARTMENT OF HOMELAND SECURITY